

1959

CONGRESSIONAL RECORD — SENATE

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Vote No.	Subject	Voted
188	Adoption of conference report on Labor-Management Reporting and Disclosure Act of 1959.....	Yea.
189	Motion to override Presidential veto of housing bill.....	Yea.
190	Amendment providing for a 3-year extension for title I and title II of Public Law 480.....	Yea.
191	Amendment to provide \$1,500,000,000 annually for title I loans.....	Nay.
192	Amendment authorizing storage of surplus foods in foreign countries.....	Nay.
193	Amendment creating for food stamp plan to provide assistance for needy families in United States.....	Yea.
194	Amendment to repeal credit on dividends and to dedicate certain percentage of excise tax on automobiles to highway trust fund.....	Yea.
195	Amendment to alter tax rate on passenger automobiles.....	Nay.
196	Amendment to repeal dividend credit and transfer certain collections of excise taxes to the highway trust fund.....	Yea.
197	Amendment to eliminate provision which would weaken Federal highway roadside protection standards.....	Yea.
198	Vote on passage of Federal-Aid Highway Act of 1959.....	Yea.
199	Amendment to put food stamp allotment plan on pilot-project basis.....	Yea.
200	Amendment to provide that shipments of surplus agricultural commodities to foreign countries be delivered to export vessels at U.S. ports.....	Yea.
201	Amendment directing Secretary of HEW to purchase supplementary foods in addition to surplus commodities for distribution to needy families.....	Yea.
202	Extension of Agricultural Trade Development and Extension Act of 1954.....	Yea.
203	Amendment permitting increase to and placing ceiling of 4 1/4 percent on E- and H-bonds.....	Yea.
204	Passage of bill to permit issuance of E- and H-bonds at interest rates above existing maximum.....	Yea.
205	Passage of second bill making appropriations for civil functions, 1960.....	Yea.
206	Extension and amendment of housing and urban renewal laws.....	Yea.
207	Conference report on amendment to H.R. 4092 to authorize use of Great Lakes vessels on the oceans.....	Yea.
208	Passage of bill to authorize increased grants for construction of sewage treatment works.....	Yea.
209	Vote to override Presidential veto of public works appropriations bill, 1960.....	Yea.
210	Passage of bill providing assistance to fishing industry.....	Yea.
211	Bill to permit sale of strategic materials to Communist-controlled countries.....	Nay.
212	Amendment to reduce foreign aid appropriations by \$100,000,000.....	Yea.
213	Amendment earmarking \$50,000,000 for a specific country.....	Nay.
214	Motion to suspend the rules to permit consideration of civil rights amendment.....	Yea.
215	Amendment to extend life of Civil Rights Commission.....	Yea.
216	Passage of mutual security appropriation bill.....	Yea.

MUTUAL SECURITY APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 8385) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

Mr. ELD of West Virginia. Mr. President, I voted for the mutual security program during my first 5 years in Congress. I voted against it last year. The program has not changed during these last 12 months, nor have I seen any evidence that would tend to prove the worth of all these vast expenditures. Quite the contrary. The accumulating mountains of testimony on the foreign aid program suggest strongly that it is poorly conceived, too big and improperly administered.

I intend to vote for the mutual security appropriations bill which is presently before us. I am supporting it for a number of reasons. First of all, supplemental appropriations for various Federal agencies are included. There are moneys in this bill which will provide for the employment of an additional 100 policemen in the District of Columbia. There are moneys in this bill for the Department of Commerce, the Civil Rights Commission, the Federal Aviation Agency, the Department of Labor, and various other Federal departments. Moreover, the bill has met one of my primary objections in that it presents a scaling down of the foreign aid appropriation.

The bill is \$1,148,182,000 under the President's request and it is \$261,507,000 under the previously passed authorization bill. I believe that there should have been further cuts in the program, and I wish to state that I offered two amendments in the Appropriations Committee which would have further reduced the amount by \$200 million, and I supported all other amendments to reduce the appropriation.

I wish to say that I have voted for the bill reluctantly, inasmuch as I believe that it is still too much money, but I have been willing to support it in view of the great reductions we have made, in view of the moneys that are included for do-

mestic purposes, and in view of the fact that I believe that the program is vitally necessary to our security as it pertains to some countries, though not all. I do not think that we should continue to scale down the program, that we should be more selective in choosing the nations to be aided, that we should not give military assistance to certain dictatorships in Latin America where the military assistance cannot be of much importance to our own security and where it is, in reality, used to keep in power the dictators involved.

I also believe that we ought to send only the most capable and best trained individuals abroad to carry out the program, and I think that we should continue to hammer away at the waste and maladministration of the program.

I have been a strong critic of the program, although I have, as I say, very reluctantly voted to support it much of the time I have been in Congress. Having served on the Foreign Affairs Committee of the House of Representatives before coming to the Senate, I have had an opportunity to witness the operation of the program in many countries, and I feel that I am justified in my criticism of it. Criticism can be helpful in improving the program, and I believe that progress can only be made in the right direction if and when the people of our country are adequately informed about the program. Consequently, I wish to state briefly my attitude toward one or two features of the mutual security bill, particularly with regard to the Development Loan Fund.

Mr. President, I am not an isolationist. The world is here to stay and I see no possibility that we Americans can withdraw our attention from Germany or the Far East or any of the other places where we are deeply involved today. The United States cannot sit in the corner, bite its nails and watch the rest of the world go by. If it did so, it would place its security and well-being in extreme peril. We are still the world's most powerful nation and have a major share of the responsibility for preventing the Sino-Soviet bloc from slicing away parts of the free world. Foreign aid, mutual

security—whatever you want to call it—is certainly necessary if we are to build the kind of military strength that is needed to put up an effective roadblock to the Soviets. But this does not mean that our present aid program should be supported willy-nilly.

This Mutual Security Act goes far beyond the limits of what I believe can be justified on the grounds of national security. Look at the figures. Out of a total of more than \$3 billion, only \$1.3 billion is slated for direct military assistance. Just about half of the whole appropriation is for various kinds of economic aid. It goes by different labels—defense support, special assistance, development loans, technical cooperation and several other smaller categories—but all this is really economic aid. Military arms and ammunition that we supply to certain allied governments are obviously a contribution to the security of our own interests overseas. It helps our friends to deter and meet Communist aggression where this danger exists.

But, I do not believe we can justify the multitude of economic aid programs in this clear and convincing way. The administration still repeats the old and wornout slogans that economic development will stop communism and build democracies. But these arguments are less convincing now than they were 8 or 9 years ago. We have all had time to learn that communism is not simply the result of poverty and that democracy does not automatically ride in on the back of economic development. It is equally unconvincing to argue that defense support and special assistance aid will maintain internal security. American economic grants are poor extinguishers to use on the raging fires of nationalism that have consumed the stability of many a less-developed country in recent years. Of course, there will be particular crises where our grants may have these desired results. But 90 percent of the time, economic aid has got to be justified on a more convincing basis.

I have thought long and carefully about the purposes of foreign aid. It seems to be that the most realistic single reason for providing economic and

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technical aid is simply to help the new or resurgent nations toward a more human standard of living. Many of the Asian and African peoples receiving our economic aid have per capita gross national products of less than \$200. Our income in the United States is more than 10 times that amount. The desire to help these peoples help themselves is obviously a commendable one. But I question seriously whether this can be the effective justification for approximately a billion and a half dollars in a bill labeled "mutual security." This aid should most properly come from individual donations. If it is to come through Federal legislation it should at least be presented on its true humanitarian grounds so that it can stand or fall on its own merits. It should not come before this body in legislation that is labeled "mutual security."

It is a bitter irony that the administration which cranks out these mutual security economic aid requests each year is the same administration that refuses to push the economic development of these United States. Why is it good to support low cost public housing in Asia, but not in this country? Why should the President veto domestic housing legislation that called for \$900 million in urban renewal or slum clearance grants at the same time he is urging Congress to appropriate \$835 million for defense support grant economic aid to foreign governments? The irony is even more striking when you find low cost housing listed among the projects to be paid for with defense support grant aid. If President Eisenhower favors appropriations for public housing abroad, why not for the poorer people of the United States?

I do not say that we must wait until every American becomes a member of the affluent society before we consider helping foreign peoples raise their living standards. I do say that it is improper for the administration to favor billions for the economic progress of less developed lands abroad and at the same time to deny this aid to depressed areas of the American economy. If the national debt is getting so high that the United States cannot afford adequate low cost public housing for its own people, then we should not be spending American dollars for public housing in Asia and Africa.

The Development Loan Fund is highly touted because it supposedly replaces this grant aid with loans for foreign economic development. But the American people are being hoodwinked if they really believe this. Loans from the Development Loan Fund are really economic grants in disguise and the arguments against grant aid apply just as strongly to these so-called loans. Indeed Development Loan Fund loans are even worse than grants in some respects because their true nature is so cleverly disguised.

First we are told by the Administration that these are indeed business loans

because the receiving country must prove to our satisfaction that it can make repayment. And then we are told of the long process of deciding on a loan so that everyone will make a vital contribution to the economic development of the receiving nation. All very fine.

But it is only after you turn the page and look behind the word "loan" that you find out what really happens when the United States gives some foreign country a loan from the Development Loan Fund. It is only then you see that these so-called loans are usually repaid in the currency of the borrowing country. Only 20 percent of the Development Loan Fund loans made so far is supposed to be repaid in dollars. And no one believes that this figure is going to increase very much in the years, to come. In the case of all the rest, or 80 percent of the loans, the United States will get back Indian rupees, Spanish pesetas, Chinese yen and other soft foreign currencies in return for dollars.

We already own or jointly control more than \$2½ billion worth of these and other foreign currencies. What are we going to do with the additional billions that we keep accumulating under the Development Loan Fund and the assortment of other programs that generate this soft local currency? Only a tiny portion can be used up in paying for embassy expenses and our other housekeeping jobs in those countries. The rest just sits there and grows unless we reloan it or simply give it to the local foreign government because there is not much else we can do with it. The United States cannot buy anything with this money in our foreign currency accounts and take it out of the country unless we first get the permission of the local government. How is that for a business loan? Would anyone consider that he had made a sound loan to someone if he first had to sign an agreement not to take the repayments out of the lender's house without first getting his permission? I certainly would answer "No." Yet, this is exactly what we are doing under the terms of the Development Loan Fund.

Look for a moment at the size of these soft local currency accounts. The Treasury Department has estimated that if all the repayments in local foreign currency are reinvested in more loans continuing only through the next 5 years, the United States will have a claim on the resources of other countries in the year A.D. 2000 of almost \$37 billion. But if these loans do not stop in 5 years and if we continue to make them at even the present rate and then reloan the local currency proceeds when they are repaid, the cumulative obligations to the United States in the year 2000 will be worth almost \$154 billion. Every one of the world's less developed countries will be mortgaged to the hilt and the United States will hold all the mortgages. I do

not think this would help improve our foreign relations.

The International Cooperation Administration people are beginning to see these problems themselves. But the solution that they offer is one more colossal proof that loans from the Development Loan Fund are really grants in disguise. Under Secretary of State Dillon stated in his testimony before the House Appropriations Committee—page 321—that we should consider giving these local currencies away to promote economic development in places where there is little prospect that we can make use of these funds ourselves.

Now we see the whole train of changes that lock together. First we have sound loans from the Development Loan Fund. Then we see that most of them will be repaid in soft foreign currencies. Finally it comes out that there probably is not much we can do with these repayments in some countries except to turn around and give the funds back to the borrower. Most of them are not convertible; we do not need much foreign currency for our own embassies abroad; we cannot buy things and take them back home to the United States without special permission. All we can do is give the repayment back to the borrower. This, my colleagues, is the sad tale of the decline and fall of the great Development Loan Fund that was to stop giveaway grant aid.

Defense support is another part of the foreign-aid program that is traveling under an assumed name. This was foisted on Congress almost 10 years ago, when the Communist threat seemed to take an overtly military turn with the invasion of South Korea. The administration thought that Congress would buy any package that had military or defense on its label. But the truth is that most of this so-called defense support aid is just plain old economic stabilization or development aid. For a long time, however, the administration witnesses would not admit this. They kept on telling us that everything from malaria eradication to fisheries development was vital to support the defense effort of our allies amongst the poorer countries of the free world.

Two years ago, in 1957, Congress tried to stop this obvious misuse of funds by amending the Mutual Security Act to read that defense support was specifically designed only to sustain an increased military effort. But apparently that was not enough. This year the administration witnesses finally acknowledged that much of the defense support aid would be needed even if these countries were not building up their armed forces. And if that was not enough to make us see the light, look at the administration's testimony on the development loan for a new water system in Saigon, South Vietnam. When asked whether this same project could not have been financed from defense support money,

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Under Secretary of State Dillon answered:

Yes. This kind of project would be eligible for financing under defense support, but the executive branch thought that it would be better to lend them the money.¹

In other words, you can take your choice—call it defense support, or a development loan—it is all the same.

Since the foreign aid officials themselves admit these facts, I ask why this Congress should continue to appropriate funds to a program that is a blatant misrepresentation. The amendment to this year's Mutual Security Act incorporated under the leadership of the distinguished junior Senator from Montana [Mr. MANSFIELD] is a step in the right direction. It provides that the President must include plans with next year's foreign aid recommendations for reducing and terminating this defense support aid. There are enough unspent funds in the foreign aid treasury right now to operate those projects that truly are designed to support the allied defense effort. And next year the President can send Congress recommendations for a much smaller defense support program that is restricted to supporting the defense effort. Then Congress can vote for the program on its true merits.

Mr. President, the foreign aid program is poorly conceived and much of it gives the American people a totally incorrect idea of what the administration is doing abroad with their tax dollars. I have tried to show that the officially stated purposes for much of the economic aid are based on totally unrealistic ideas about the nature of man and social change. Communism cannot be stopped with economic aid handouts, nor does economic development assure the growth of democracy. Let us label this economic aid for what it really is—a humanitarian program to help others help themselves. Then let us put it on a private voluntary basis if Congress and the American people are not willing to support it with Federal appropriations. We will see what the administration is willing to support to help our

own depressed areas and spur economic development where it is needed in the United States. This will help the American people to make up their minds as to what this country can afford to help foreign countries.

I have tried to show that most of the Development Loan Fund loans are really economic grants in disguise and that we should stop this misrepresentation. Defense support aid is also a misrepresentation because most of it is economic stabilization and development aid. The mutual security program should concentrate on our military security.

Mr. NEUBERGER. Mr. President, my native State is justly proud of its record in the field of civil rights. Oregon adopted a Fair Employment Practices Act in 1949—the sixth State to take such action. Today in Oregon it is a civil right to have the opportunity to secure employment without discrimination because of race, religion, or national origin.

Additional legislation has been passed in Oregon since that time prohibiting discrimination in public housing; private, professional, or trade schools; and public facilities.

Today Oregon has a continuing Advisory Committee on Civil Rights. Duties of the commission are to study problems of discrimination; attempt to foster good will, cooperation, and conciliation; and make recommendations to the commissioner of labor for correcting abuses.

Many private organizations in Oregon have contributed to the advancement of the protection of civil rights in my State. Their efforts in exposing inequalities continue to be a major and essential spur to reevaluation of existing laws which are designed to insure nondiscriminatory treatment for all of Oregon's citizens.

Mr. President, the concern of the groups which I have mentioned is not directed toward Oregon alone. They have also worked for adoption of national legislation which will aid us in eliminating discrimination. Representatives of a number of these outstanding groups have wired me urging extension of the Civil Rights Commission. I ask unanimous consent that these telegrams be printed in the RECORD at this point. I also subscribe to the views expressed by Mrs. Ralph H. Mont regarding the undesirability of serving liquor on commercial airplanes.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG.,
September 12, 1959.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

Respectfully urge you use your influence to have term for Civil Rights Commission extended. Understand it is being submitted as an amendment to another bill. Also we want liquor on planes bills brought out of committee on to floor before close of session.

Sincerely,

Mrs. RALPH H. MONT,
Legislative Chairman, United Church
Women of Oregon.

PORTLAND, OREG.,
September 11, 1959.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

On behalf Anti-Defamation League Oregon board urge you vote extension existence Civil Rights Commission.

HY SAMUELS,
Acting Chairman.

PORTLAND, OREG.,
September 12, 1959.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

On behalf Oregon Advisory Committee U.S. Civil Rights Commission meeting Portland yesterday we transmit urgent appeal to support strongly recommendations for renewal of Commission authority. We especially urge this so studies now underway be continued and legal actions already instituted be pursued, to the end of protecting civil rights Oregon citizens wherever they go in United States, and to upgrade rapidly the Uniform enjoyment of civil rights of all Americans.

MONROE SWEETLAND,
DAVID ROBINSON,
R. JOE BEEREMAN.

PORTLAND, OREG.,
September 12, 1959.

Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D.C.:

If at all possible we hope you will make every endeavor to extend the tenure of the Civil Rights Commission for at least 2 years before the adjournment of the present Congress.

HARRY WARD,
President, National Association for the
Advancement of Colored People.

(Senate proceedings continued after House proceedings of today's RECORD.)

¹ U.S. Congress, House, Committee on Appropriations, hearings, mutual security appropriations for 1960 (and related agencies), 86th Cong., 1st sess., 1959. P. 1100.